

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-13-704
Casino One Corporation)

PRELIMINARY ORDER FOR DISCIPLINARY ACTION

Comes now the Missouri Gaming Commission acting in its official capacity pursuant to 11 CSR 45-13.050, and states as follows:

1. The Missouri Gaming Commission (the "Commission") is a state commission created under Chapter 313, RSMo 2000, with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Pinnacle Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Pinnacle Entertainment Inc. is the parent organization or controlling entity of Casino One Corporation.
4. The Commission issued a Class B riverboat gambling license to Casino One Corporation ("Company"), to conduct games on and operate the excursion gambling boat known as Lumiere Place Casino ("Casino").
5. As the holder of a Class B license, the Company is subject to the provisions of Sections 313.800 to 313.850, RSMo 2000, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On five separate occasions the Casino's security officer's allowed patrons to enter the Casino through the exit turnstiles. Those five occasions more specifically set forth below:
 - A. On February 9, 2013, two intoxicated patrons entered the gaming floor through the exit turnstile. The security officer assigned was busy with other duties and failed to notice the two patrons entering through the exit turnstile.

- B. On March 2, 2013, a patron entered through the exit turnstile. The security officer assigned to monitor the exit turnstile had been told by his supervisor that if the lines became long at the other entry turnstiles he was to open a third entry turnstile and check identifications of patrons so that they could alleviate the wait in line for the patrons. In doing so, the security officer was distracted from his duty in monitoring the exit turnstile and therefore permitted the patron to enter the gaming floor through the exit turnstile.
- C. On March 15, 2013, a patron entered the Casino through the exit turnstile. The security officer assigned to monitor the exit turnstile was talking to another security officer and failed to notice the patron entering through the exit turnstile.
- D. On March 16, 2013, two patrons entered the gaming floor through the exit turnstile. The security officer assigned to the exit turnstile failed to notice their entry into the Casino.
- E. On March 17, 2013, two patrons entered the gaming floor through the exit turnstile. The security officer assigned to the exit turnstile was talking to another security officer and failed to notice the two patrons enter through the exit turnstile.

LAW

- 7. Under Section 313.805(6), RSMo 2000, the Commission may assess any appropriate administrative penalty against a licensee, including but not limited to, suspension, revocation or penalties of an amount determined by the Commission.
- 8. Under Section 313.812.14, RSMo 2000, a holder of any license is subject to imposition of penalties, suspension or revocation of such license for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state of Missouri.
- 9. Under Section 313.812.14(1), RSMo 2000, a licensee may be disciplined for failing to comply with or make provisions for compliance with Sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulation.
- 10. Under Section 313.812.14(2), RSMo 2000, a licensee may be disciplined for failing to comply with any rule, order or ruling of the Commission or its agents pertaining to gaming.
- 11. Under 11 CSR 45-4.020(10) rules adopted prior to May 30, 2008 which previously referred to a Class A licensee shall refer to both a Class A and B licensee unless specifically Under 11 CSR 45-9.060(3), violations of the minimum internal control standards by a Class A licensee or an agent or employee of a Class A licensee are

deemed to be unsuitable conduct for which the Class A licensee and/or its agent or employee is subject to administrative penalty pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time to time. Any agent or employee of a Class A licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation. lly identified otherwise.

12. Under 11 CSR 45-9.060(4), violations of the Class A licensee's internal control system by the Class A licensee or an agent or employee of the Class A licensee shall be prima facie evidence of unsuitable conduct for which the Class A license and/or its agents or employees may be subject to discipline pursuant to Section 313.805(6), RSMo., and 11 CSR 45-1 et seq., as amended from time to time.
13. The Commission's minimum internal control standard Chapter J, §1.04 states, Patrons may board and exit at any time during an excursion in accordance with a procedure approved by the Commission.
14. The Commission's minimum internal control standard Chapter J, § 1.13 states, A patron desiring to re-enter the gaming area must enter in a manner approved by the Commission that provides for an accurate and complete accounting of admissions for each gaming session.
15. The Commission's minimum internal control standard Chapter N, § 3.01 states, the Internal Control System shall contain detailed procedures, including who participates in each activity, their duties and responsibilities, forms completed, signatory responsibilities, and all applicable controls for the following:
 - (A) firearms prohibition;
 - (B) intoxicated persons;
 - (C) disorderly/disruptive patrons; and
 - (D) eviction procedures.
16. The Commission's minimum internal control standard Chapter N, § 4.04 states, The enforcement of admission and gambling restrictions for persons under 21 years of age shall include, at a minimum, checking their government-issued photo identification.
17. The Company's internal control standard Chapter J, § 1.04 states, Patrons may board and exit at any time during an excursion in accordance with a procedure approved by the Commission.
18. The Company's internal control standard Chapter J, § 1.13 states, A patron desiring to re-enter the gaming area must enter through the dual turnstiles which provide an accurate and complete accounting of admissions for each gaming session.
19. The Company's internal control standard Chapter N, § 3.01 states, The Internal Control System shall contain detailed procedures, including who participates in each

activity, their duties and responsibilities, forms completed, signatory responsibilities, and all applicable controls for the following:

- (A) Firearms prohibition: The only individuals who may carry a firearm into the casino are Commission Agents, and Law Enforcement officials when acting in their official capacities; or, any off-duty State of Missouri Law Enforcement officials as defined by RSMo 571.030(2). If a weapon is discovered on the casino floor, the MGC Agent on duty will be notified and the incident will be investigated. Pending the outcome of the investigation, an Incident Report will be prepared only if a violation of state law is discovered;
- (B) Intoxicated persons: Intoxicating liquor shall not be served to anyone under the age of twenty-one or to any guest who is apparently intoxicated. Security officers shall assist in the verification of the age of a potential under age guest. Security officers stationed at the turnstile entrances to the casino are responsible for checking for any persons who appear to be intoxicated. Such individuals are prevented from entering the casino. Security officers throughout the gaming areas will be alert for any guests who appear to be intoxicated and prevent them from being served additional alcoholic beverages and/or participating in any gambling activity. When investigating a complaint of a possibly intoxicated guest, Surveillance will be notified to provide adequate camera coverage. MGC will be notified of any patron who becomes disorderly or disruptive. Security will approach the patron to determine if they are intoxicated. Once it has been determined that a guest is intoxicated a security officer will escort the guest from the gaming area and politely ask the guest to leave the casino for the remainder of the current gaming day. Security will discourage the guest from operating a motor vehicle and recommend alternative transportation (e.g., taxi, public transportation, etc.). Note: should an intoxicated patron become disorderly/disruptive, MGC will be notified and a Security Incident Report (FormOO) will be prepared by a Security Officer and approved by a Security Shift Supervisor or above. No Incident Reports are generated for intoxicated patrons turned away at the turnstiles or asked to leave the gaming floor as long as they do not become disorderly/disruptive. Additionally, Security Officers will tally the total number of turnstile intoxication checks, casino floor intoxication checks and record these numbers on the Underage/Alcohol Related Patron Ejection Report (Form R-18)
- (C) Disorderly/disruptive patrons: In the event a security officer encounters a Disorderly/disruptive guest, Surveillance will be notified to ensure that proper surveillance camera coverage is provided. The security office will inform the guest that their behavior the guest will be asked to leave or will be escorted to the security office to resolve the situation and an Incident Report will be prepared. Security, Surveillance, and the MGC are notified of Any guest who becomes disorderly or disruptive; and
- (D) Eviction procedures: The Security Shift Supervisor or above will make the determination to evict a guest. All guests will be dealt with in a professional manner and treated with respect. If at any time during the eviction process

the guest asks to be afforded the opportunity to leave the premises on his/her own, they will be allowed to do so provided they have not committed a crime that requires an arrest. If possible the guest should be photographed and the photo will be maintained at the security desk for future reference. If the guest refuses to leave and remains uncooperative, the MGC Boat Agent will be notified to enforce the trespassing ordinance. Upon completion of the eviction, an Incident report will be prepared.

20. The Company's internal control standard Chapter N, § 4.04 states, The enforcement of admission and gambling restrictions for persons under 21 years of age shall include, at a minimum, checking their government-issued photo identification.

VIOLATIONS

21. The actions or omissions of employees or agents of the Company as described above to follow proper procedures by not adequately preventing both patrons and intoxicated patrons from entering the casino through the exit turnstiles, which is a violation of the Commission's minimum internal control standard Chapter J, § 1.04, 1.13 and the Company's internal control standard Chapter J, § 1.04, 1.13 and Chapter N, § 4.04. Company is subject to discipline for such violations under 11 CSR 45-9.060(3) & (4), and Sections 313.805(6) and 313.812.14, and 313.812.14 (1) & (2), RSMo.

PENALTY PROPOSED

22. Under Section 313.805(6), RSMo 2000, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Class B license.
23. THEREFORE, it is proposed that the Commission fine Casino One Corporation the amount of \$15,000 for the violations set forth herein.

Dr. Barrett Hatches
Chairman
Missouri Gaming Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he caused a true and correct copy of the foregoing to be mailed, postage prepaid, this ____ day of _____, 2013, to:

Mr. Jeff Babinski, General Manager
Lumiere Place Casino
999 North Second
St. Louis, MO 63102

Dr. Barrett Hatches
Chairman
Missouri Gaming Commission